

FISCAL NOTE

HB 742 - SB 901

March 14, 2005

SUMMARY OF BILL: Authorizes a contractor who has not received payment to suspend performance without being considered in breach of contract if the contractor has provided the required notification of non-payment and the notified party has not made payment within ten days of receiving such notice. Additionally, the bill allows reasonable attorney's fees to be awarded against the non-prevailing party in such cases. Currently, attorney's fees may only be awarded if the non-prevailing party has acted in bad faith.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Not Significant
Increase State Expenditures – Not Significant

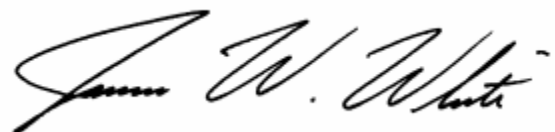
Increase Local Govt. Revenues – Not Significant
Increase Local Govt. Expenditures – Not Significant

Assumption:

- There would be increases in state and local government revenues and expenditures resulting from the ability of the prevailing party to recover attorney's fees without the burden of proving bad faith. Such increases are estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director